

TESSELLIS S.p.A.
Loc. Sa Illetta SS 195, Km 2.300 – 09123 Cagliari (CA)
Tax Code and VAT no. 02375280928
LEI No. 815600DDD271CA046266
Share capital Euro 187.513.965,37, fully paid-in

ILLUSTRATIVE REPORT OF THE BOARD OF DIRECTORS ON THE PROPOSALS ON THE AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING OF JUNE 12, 2023, PREPARED IN ACCORDANCE WITH ARTICLE 125-TER OF THE LEGISLATIVE DECREE 58/1998

Dear Shareholders,

this document was prepared by the Board of Directors of Tessellis S.p.A. ("Tessellis" or the "Company"), in compliance with current legislation, in relation to the ordinary Shareholders' Meeting of Tessellis called in single call for June 12, 2023 at 12 noon, to discuss and resolve on the following:

1. Integration of the Board of Directors. Related and consequent resolutions.
 - a. Appointment of Andrew Theodore Holt and Jeffrey Robert Libshutz in their capacity as Directors of the Company, with offices having the same expiration of the standing Directors and, namely, upon to the approval of the 2024 Financial statements;
 - b. resolution on the gross annual remuneration of the to be appointed Directors, Andrew Theodore Holt and Jeffrey Robert Libshutz, set in EUR 25,000 equal to the other Directors' remuneration.
2. Financial statements at December 31, 2022.
 - a. Approval of the financial statements
 - b. Resolution on the loss for the year.
3. Report on the remuneration policy and on the remuneration paid to.
 - a. Binding resolution on the first section (remuneration policy 2023)
 - b. Non-binding resolution on the second section (fees 2022).

Pursuant to and for the purposes of Section 125-ter of Legislative Decree 58/1998, we submit this report to your attention with reference to items 1, 2, 3 on the agenda. The proposal relating to item 4 on the agenda will be made public in accordance with the law.

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1. Integration of the Board of Directors. Related and consequent resolutions

Dear Shareholders,

on February 1st, 2023 the Directors Alberto Trondoli and Cristiana Procopio resigned from their office and, as a result, the Board of Directors held on April 26, 2023 resolved to replace them, by cooptating the directors Jeffrey Robert Libshutz and Andrew Theodore Holt. Pursuant to the Company's By-Law and Section 2386 of the Italian Civil Code, this appointment is effective until the next Shareholders' Meeting.

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Therefore, in the meeting to be convened, the Shareholders' Meeting is called to resolve on the appointment of the two directors.

It should be noted that for the election of only two members of the Board of Directors, the voting list mechanism provide for by Section 11 (Board of Directors) shall not apply, provided that this regulation is applicable only in case of entire renewal of the Board.

Given the above, we invite you to proceed with the vote for the appointment and determination of the remuneration and the duration of office of two directors; in this regard, the Board of Directors proposes to confirm Jeffrey Robert Libshutz and Andrew Theodore Holt, already coopted by the Board, that the aforementioned directors remain in office, like the other Directors, until the approval of the financial statements for the year 2024 and to grant the same Directors an annual gross compensation of Eur 25 thousand, as provided for other non-executive directors.

A copy of the candidates' curriculum vitae, as well as the relative declaration for the acceptance of the office attesting the absence of causes of ineligibility or incompatibility as well as the existence of the integrity requirements and professionalism prescribed by the applicable legislation and by the By-Law, are attached to this report.

We therefore propose that you adopt a resolution in line with the following proposal:

Proposal 1: appointment of directors

The Ordinary Shareholders' Meeting of Tessellis S.p.A., having read the Report of the Directors and having heard the exposition of the Chairman,

resolves

1. to appoint Jeffrey Robert Libshutz and Andrew Theodore Holt as Directors of the Company, with office having the same duration of the other members of the Board Of Directors and, namely, until the Shareholders' Meeting called to approve the financial statements as at 31 December 2024.

Proposal 2: remuneration determination

The Ordinary Shareholders' Meeting of Tessellis S.p.A., having read the Report of the Directors and having heard the exposition of the Chairman,

resolves

2. to set the gross annual fee in Eur 25,000.00 (twenty-five thousand), the Chief Executive Officer every broader power, also by means of to-be-appointed attorneys, for the execution of this resolution, as well as for making additions, where appropriate or necessary, formal changes and cancellations requested by the competent authorities for the filing before the Companies' Register.

2. Approval of the financial statements as at December 31, 2022. Related and consequent resolutions

Dear Shareholders,

copy of the draft financial statements of Tessellis S.p.A. (the "Company") as of December 31, 2022, approved by the Board of Directors at the meeting of May 10, 2023, along with the reports prepared by the Board of the Directors, the Statutory Auditors and the auditing company, will be filed, in compliance with current legislation, with the registered office and

Consob and will be available on the Company's website <https://www.tessellis.it/assemblea-azionisti/> within the terms provided by the law.

For an illustration of the draft financial statements, please refer, in particular, to the Directors' Management Report.

The final figure of the Company's draft financial statements as at December 31, 2022 records a loss for the period equal to EUR 927,121.43. We propose to approve the financial statements as a whole and in the individual entries and we propose to adopt a resolution in line with the following proposal:

Proposal 1: Approval of the Financial Statements documentation

The Shareholders' Meeting of Tessellis S.p.A.,

- Having examined the separated annual financial statements and the consolidated financial statements of Tessellis S.p.A. which shows a loss of EUR 927,121.43, the management report and the corporate governance report, prepared by the Board of Directors, as well as the non-financial declaration;

- Having acknowledged the report of the Board of Statutory Auditors pursuant to Section 153 of Legislative Decree 58/1998 (TUF);

- Having acknowledged the report of the auditing firm attached to the financial statements and the consolidated financial statements

resolves

• To approve the 2022 separated financial statements of Tessellis S.p.A. as at December 31, 2022 with a loss equal to EUR 927,121.43 - as a whole and in the individual items - prepared by the Board of Directors, whose management is fully approved.

Proposal 2: allocation of the loss for the year

The Shareholders' Meeting of Tessellis S.p.A.,

- having seen the operating loss recorded equal to EUR 927,121.43;

resolves

• to carry forward the loss for the year equal to EUR 927,121.43, granting the Chief Executive Officer every broader power, also by means of to-be-appointed attorneys, for the execution of this resolution, as well as for making additions, where appropriate or necessary, formal changes and cancellations requested by the competent authorities.

3. Report on remuneration policy and remuneration paid

- Binding resolution on the first section (2023 remuneration policy)

- Non-binding resolution on the second section (2022 remuneration)

Dear Shareholders,

In view of the Shareholders' Meeting of June 12, 2023, the report on remuneration policy and compensation paid was prepared.

The document is divided into two sections:

- The first illustrates the Company's policy on the remuneration of Directors, Statutory Auditors and key management personnel with reference to the financial year 2023, and is subject to binding resolution by the Shareholders' Meeting;
- The second illustrates the items that make up the remuneration of the aforementioned

persons, with an illustration of the remuneration paid to them in the 2022 financial year, and is subject to a non-binding resolution of the Shareholders' Meeting, in favour or against it.

In view of the above, you are called upon to express your views separately on the first and second sections of the report, as described above, and the Board of Directors therefore submits the following proposals for your approval:

Proposal 1: Approval of the first section of the report on remuneration policy and compensation paid (2023 remuneration policy)

The Shareholders' Meeting of Tessellis S.p.A., having regard to the applicable regulations concerning the report on remuneration policy and compensation paid,

resolves

- *To approve the first section of the report on the remuneration policy and the remuneration paid by the Company.*

Proposal 2: Non-binding vote on the second section of the report on remuneration policy and compensation paid (2022 remuneration)

The Shareholders' Meeting of Tessellis S.p.A., having regard to the applicable regulations concerning the report on remuneration policy and compensation paid,

resolves

- *in favour of the second section of the report on the remuneration policy and the remuneration paid by the Company in the financial year 2022.*

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Cagliari, May 11, 2023

Tessellis S.p.A.
For the Board of Directors
CEO
Davide Rota